

LR-002 (c) GAMING FINANCIAL SOURCE REGULATIONS

5.0 INTRODUCTION

A Financial Source applicant shall be defined as licensed by the TMGA prior to the Financial Source extending any financing in connection with the Tribe's Gaming Operation or Facility.

SEC 6.4.5. (a) Financial Sources. (Pg. 30)

Every Financial Source required to be licensed by the TMGA shall, contemporaneously with the filing of its tribal license application, apply to the State Gaming Agency for a determination of suitability. In the event the State Gaming Agency denies or revokes the determination of suitability, they shall deny or revoke the Financial Source's license within thirty (30) days of receiving notice of denial or revocation from the State Gaming Agency.

SEC 6.4.5. (b) Financial Sources. (Pg. 30)

A license issued under this section shall be reviewed at least every two (2) years for continuing compliance. In connection with that review, the TMGA shall require Financial Source to update all information provided in Financial Source's previous application.

SEC 6.4.5. (c) Financial Sources. (Pg. 30)

5.1 FINANCIAL AGREEMENTS

Any agreement between the Casino/Tribe and a Financial Source shall include and shall be deemed to include.

1. a provision for its termination without further liability on the part of the Tribe, except for the bona fide repayment of all outstanding sums (exclusive of interest) owed as of the date of termination upon revocation or non-renewal of the Financial Source's license by the TMGA.
2. The Tribe shall not enter or continue to make payments to a Financial Source pursuant to, any contract or agreement for the provision of financing with any person or entity whose application to the State gaming Agency for a determination of suitability has been denied or whose determination of suitability has been revoked or has expired without renewal.

SEC 6.4.5. (d) Financial Sources. (Pg. 30)

5.2 GAMING RESOURCE SUPPLIERS

A Gaming Resource Supplier who provides financing exclusively in connection with the provision, sale, or lease of Gaming Resources obtained from the Gaming Resource Supplier may be licensed solely in accordance with the licensing procedures applicable to Gaming Resource Suppliers and need not be separately licensed as a Financial Source under this section.

SEC 6.4.5. (e) Financial Sources. (Pg. 31)

5.3 SUITABILITY DETERMINATION

The TMGA may elect to license a person or entity as a Financial Source without requiring it to apply to the State Gaming Agency for a determination of suitability if the Financial Source has already been issued a determination of suitability that is then valid. In that case, the TMGA shall immediately notify the State Gaming Agency of its licensure of the person or entity as a Financial Source and shall identify in its notification the State Gaming Agency determination of suitability on which the TMGA has relied in proceeding defined by the Tribal-State Compact. Subject to the TMGA compliance with the Tribal-State Compact requirements, a Financial Source licensed under these regulations may, during and only during the period in which the determination of suitability remains valid, engage in financing in connection with the Tribe's Gaming Operation or Facility, without applying to the State Gaming Agency for a determination of suitability. The issuance of a license under this section is in all cases subject to any late determination by the State Gaming Agency that the Financial Source is not suitable or to a tribal gaming license suspension or revocation does not extend the time during which the determination of suitability relied on by the Tribal Gaming Agency is valid. A license issued under this subdivision expires upon the revocation or expiration of the determination of suitability relied on by the TMGA is valid. A license issued under this section expires upon the revocation or expiration of the determination of suitability relied on by the Tribal Gaming Agency.

SEC 6.4.5. (f) Financial Sources. (Pg. 31)

Within twenty-one (21) days of the issuance of a license to a Financial Source, the TMGA shall transmit to the State Gaming Agency a copy of the license and a copy of all license application materials and information received by it from the Applicant which is not otherwise prohibited or restricted from disclosure under applicable federal law or regulation.

SEC 6.4.5. (g) Financial Sources. (Pg. 31)

5.4 LICENSING EXCLUSIONS

The TMGA may, at its discretion, exclude from the licensing requirements of this section the following Financial Sources under the circumstances stated:

SEC 6.4.5. (h)(1) Financial Sources. (Pg. 32)

- (A) Any federally regulated or state-regulated bank, savings and loan association, or other federally- or state-regulated lending institution and any fund or other investment vehicle that is administered or managed by any such entity.

SEC 6.4.5. (h)(1)(A) Financial Sources. (Pg. 32)

- (B) Any entity described in the California Commission's Uniform Statewide Tribal Gaming Regulations CGCC-2, subdivision (f) when that entity is a Financial Source solely by reason of being (i) a purchaser or a holder of debt securities or other forms of indebtedness issued directly or indirectly by the Tribe for a Gaming Facility or for the Gaming Operation or (ii) the owner of a participation interest in any amount of indebtedness for which a Financial Source or any fund or other investment vehicle which is administered or managed by any such Financial Source, is the creditor.

SEC 6.4.5. (h)(1)(B) Financial Sources. (Pg. 32)

- (C) Any investor who, alone or together with any person or persons controlling, controlled by or under common control with such investor, holds less than ten percent (10%) of all outstanding debt securities issued directly or indirectly by the Tribe for a Gaming Facility or for the Gaming Operation

SEC 6.4.5. (h)(1)(C) Financial Sources. (Pg. 32)

- (D) An agency of the federal, state or local government providing financing, together with any person purchasing any debt securities or other forms of indebtedness of the agency to provide such financing.

SEC 6.4.5. (h)(1)(D) Financial Sources. (Pg. 32)

- (E) A real estate investment trust (as defined in 26 U.S.C. 856(a)) which is publicly traded on stock exchange, registered with the Securities and Exchange Commission, and subject to regulatory oversight of the Securities and Exchange Commission.

SEC 6.4.5. (h)(1)(E) Financial Sources. (Pg. 32)

- (F) An entity or category of entities that the State Gaming Agency and the Tribal Gaming Agency jointly determine can be excluded from the licensing requirements of this section 6.4.5 without posing a threat to the public interest or the integrity of the Gaming Operation.

SEC 6.4.5. (h)(1)(F) Financial Sources. (Pg. 33)

In any case where the TMGA elects to exclude a Financial Source from the licensing requirements of this section, the TMGA shall give no less than thirty (30) days' notice thereof the State Gaming Agency, and shall give the State Gaming Agency reasonable advance notice of any extension of financing by the Financial Source in connection with the Tribe's Gaming Operation or Facility, and upon request of the State Gaming Agency, shall provide it with all documentation supporting the TMGAs exclusion of the Financial Source from the licensing requirements of this section. The TMGA shall confer with the State Gaming Agency and make good faith efforts to promptly resolve any dispute regarding the shall confer, if a decision to exclude a Financial Source from the licensing requirements of this section. Any dispute regarding a decision to exclude a Financial Source from the licensing requirements of this section that cannot be promptly resolved by the Tribal gaming Agency and the State Gaming Agency shall be resolved through the dispute resolution provisions as provided in the Tribal-State Compact section 13.0.

SEC 6.4.5. (h)(2) Financial Sources. (Pg. 33)

5.5 STATE FINDING OF UNSUITABILITY

The State Gaming Agency will continue to have the right to find a Financial Source unsuitable. The TMGA and the State Gaming Agency shall work collaboratively to resolve any reasonable concerns regarding the initial or ongoing excludability of an individual or entity as a Financial Source. If the State Gaming Agency finds that an investigation of any Financial Source is warranted, the Financial Source shall be required to apply for a determination of suitability to the State Gaming Agency and shall pay the costs and charges incurred in the investigation and processing of the application, in accordance with the provisions set forth in California Business and Professions Code sections 19867 and 19951. Any dispute between the TMGA and the State Gaming Agency pertaining to the excludability of an individual or entity as a Financial Source shall be resolved by the dispute resolution provisions in section 13.0.

SEC 6.4.5. (h)(3) Financial Sources. (Pg. 33)

5.6 NON-FINANCIAL SOURCES

The following are not considered Financial Sources:

- (A) An entity identified by the California Commission's Uniform Statewide Tribal Gaming Regulation CGCC-2, subdivision (h).

SEC 6.4.5. (h)(4)(A) Financial Sources. (Pg. 34)

- (B) A person or entity whose sole connection with a provision or extension of financing to the Tribe is to provide loan brokerage or debt servicing for a Financial Source at no cost to the Tribe or the Gaming Operation, provided that no portion of any financing provided is an extension of credit to the Tribe or the Gaming Operation by that person or entity.

SEC 6.4.5. (h)(4)(B) Financial Sources. (Pg. 34)

In recognition of changing financial circumstances the Tribe and the State, upon the request of either party in or after five (5) years from the effective date of the Tribal-State Compact; provided that the renegotiation shall not retroactively affect transitions that have already taken place where the Financial Source has been excluded or exempted from licensing requirements. *SEC 6.4.5. (i) Financial Sources. (Pg. 34)*

THE TORRES MARTINEZ GAMING COMMISSION

**TRIBAL MOTION
RECORD OF MOTION or ACTION TAKEN**

Meeting Date: 1/17/2024		Agenda Item Number: V.d	
Department: TMGC		Presenter: TGA	
Concerning the matter of:		Bo-Co-Pa Draft Regulation Approvals	
Resolution number:		#LR002c – Gaming Financial Source Regulations	

ACTION TAKEN

<input checked="" type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> TABLED
<input type="checkbox"/> FOR THE RECORD
<input type="checkbox"/> OTHER
<input type="checkbox"/> FURTHER INFORMATION REQUIRED
<input type="checkbox"/> FORWARD TO
<input checked="" type="checkbox"/> Alfonso Loya, TGA Manager
<input type="checkbox"/> Tribal Procurement
<input checked="" type="checkbox"/> Altrena Santillanes, Tribal Council

FOR 3 AGAINST 0 ABSTAIN 0

COMMENTS: MOTION TO APPROVE GAMING FINANCIAL SOURCE REGULATIONS (#LR002c) – EFFECTIVE DATE 1/17/2024. TO BE REVIEWED EVERY 3 YEARS. COMMISSION RESERVES RIGHTS TO MAKE AMENDMENTS AT ANY TIME.

VERIFICATION: Britni Stafford
Britni Stafford, Secretary TM Gaming Commission

DATE: 1/25/2024

Britni Stafford Digitally signed by Britni Stafford
Date: 2024.01.25 19:00:22 -08'00'

